

QUARTERLY MEETING (9/4/2025)

OPENING STATEMENT

Administrative Rules

The agency continues to review the many public comments received during the public hearing on May 6th, 2025, and make revisions based on those comments. To assist in understanding the revisions, when the revised draft is released, the agency will publish supporting documents highlighting the various changes.

Market Status

Price of flower per ounce

- The average retail price of adult-use flower was \$62.30 in July, up slightly from \$62.23 in April. Medical prices climbed from \$79.80 per ounce in April to \$88.89 per ounce in July.

Sales

- Adult-use sales in July were \$274 million compared to \$286 million last July but given the lower prices per ounce this year compared to last year, that reflects an increase in demand. Over the last three months, retailers sold 346,000 pounds of flower, compared to 277,000 pounds during the same period last year. Beverages continue to be the product type with the highest growth as sales are up 70% year to year.
- Medical sales continue to decline in real dollars, products sold, and market share. Medical sales in July were again at an all-time low at \$483,000, even as prices rose. Medical sales account for less than 0.2% of total marijuana sales in Michigan.

LICENSING DIVISION

Medical Facilities Licensing (10/1/2024-8/31/2025)

- Applications Received (Step 1, Step 2, and Renewals): 1,909
- Applications Processed (Step 1, Step 2, and Renewals): 1,603

Adult-Use Licensing (10/1/2024-8/31/2025)

- Applications Received (Step 1, Step 2, and Renewals): 2,519
- Applications Processed (Step 1, Step 2, and Renewals): 2,424

MMMP & Hemp Section

Patient & Caregiver Counts as of 09/01/2025

- Active Patients: 63,670 (115 minors)
- Active Caregivers: 4,262
- Last month, online applications were utilized by 85% of eligible patients.

Hemp Processor-Handler Licenses

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- 112 new applications & 153 renewal applications received from October 1, 2024 – August 31, 2025
- As of 09/01/2025, 265 Active Hemp Processors-Handlers

Financial Compliance Section

- The next AFS report due date is September 30, 2025.
 - There will be 54 AFS Reports due, with a total of 213 licenses.
- We received 42 of 51 reports on time for the June 30, 2025 due date.

ENFORCEMENT DIVISION

Field Operations Investigations Section

- From May 16, 2025, through August 20, 2025, there have been 539 complaints received. 305 of those complaints were received through the Accela Online Complaint Portal.
- Of the 539 complaints received – 358 number of them were assigned out to a Regulation Agent for investigation. The rest of those complaints were either assigned to another section, referred to another agency, or were not eligible/appropriate for investigation.
- Of the 358 complaints assigned for investigation, 318 were against adult-use licenses and 40 were against medical licenses.
- During the same time period 313 complaints were processed to closure by the investigation section.
- During the same time period 140 complaints were referred to the Legal Section of the CRA for review of possible discipline. (~45%)

Investigations is now fully staffed with 3 RAs assigned to Districts 1, 2, 3, and 5, 1 RA in District 6, and 2 RA staff covering Districts 7 and 8.

Field Operations Inspections Sections

- From May 16th, 2025, through August 20th, 2025, Regulation Officers conducted inspections at 590 businesses and resulted inspections on 2050 applications or licenses. During the same time period, Regulation Officers completed 578 reporting form records, and conducted 118 other inspections.
- The inspections section filled a vacancy in Districts 7&8 and is currently onboarding the new Regulation Officer. The District 3 Regulation Officer who was onboarded last quarter has completed training and is now operating independently in the field.
- Since the implementation of unannounced inspections on October 1st, 2024, the inspections section has had 23 non-access events accounting for 1.4% of semi-annual inspection records. After almost a year, the Inspections Section is pleased with the accessibility of marijuana businesses for the purposes of unannounced semi-annual inspections.

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- In June, employees of the Inspection Sections participated in updated Metrc Training.
- In August, six new RFID Handheld Scanners were ordered so that all staff of the sections will be equipped with scanners. Training is currently being coordinated with staff from METRC to conduct new user training in either September or October of this year.
- Members of the section have consistently met the metrics for Pre-Licensure, 30-Day Post and Semi-Annual inspections over the last quarter.

Scientific Section

Intelligence Analysts provided i2 Notebook educational sessions for Legal Section and support for incoming/ad-hoc requests.

One vacant Science Section Quality Assurance and Quality Control Laboratory Scientist Specialist (LSS) position was posted and is closed.

Currently onboarding two new LSS, Chemistry Specialist start date was 6/22/2025 and Microbiology Specialist start was date 7/21/2025.

Science Section is working with the Reference Lab Division Director in support of Lab Division with lab procedures, start-up and operations.

The section is also facilitating CRA requested lab audits to support investigating complaints of products that have failed for the presence of MCT and other contaminants.

Completed:

- 17 method reviews
- 23 Investigations
- 8 Referrals
- 5 inspections
- Responded to 635 Metrc tickets

Operations Support Section

FY 2025, the following actions have been taken:

- 4,795 noncompliance notifications have been sent
- 563 compliance education letters have been sent for real-time monitoring reports
- 114 records have been referred for investigation

In Q3, the Compliance Monitoring Program conducted a SWOT analysis, during which we identified several new areas to monitor based on observed industry trends. These proposals are currently under evaluation, with the goal of enhancing education and providing clear, compliant examples to support industry adherence.

In August 2025, the first Tribal Marijuana Businesses were issued; OSS assisted with getting those configured, credentialed into Metrc, and with establishing how their existing inventory and

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test statuses would be uploaded into Metrc. OSS has handled an increased number of license closures and assisted with several recalls.

Updates in Metrc for this quarter include:

- New functionality allowing for a recovery save when the session times out
- Added employee roles for industry administrators to better manage their users
- New functionality for industry administrators to be able to create items and strains from the same screen
- Added ability to return quantity to a source from child packages without needing to discontinue or repackage
- The industry sandbox rolling out to improve the industry's ability to train their employees or test scenarios in a non-production environment

Beverage Review/Edibles/Labeling & Packaging

Fifteen submissions related to beverages were received and reviewed between May 29th and August 29th, 2025. These included supplemental information for submitted beverages (4) and applications for new beverages (11). All 15 have been reviewed and approved. Among approvals was the state's first acidified beverage. 11 results from research and development project stability testing have been received and reviewed between May 29th and August 29th.

The Accela Beverage Application project underwent some changes between May and August. Process maps and business rules for the new version have been completed. Next steps include finishing some application documents, and then an IT project will be submitted.

COMMUNICATIONS AND GRANTS DIVISION

The **CRA Social Equity All-Star Program** now has 107 companies participating, including 35 gold, 5 silver, and 67 bronze. We highly encourage all licensees to submit their documentation and be recognized for the good work they are doing on the social equity front. The All-Star Program information is available on our website.

I wanted to give special recognition to these companies who have recently joined the Social Equity All-Star Program:

- **Silver:** Puff
- **Bronze:** Ree-Lax Snacks, LLC, The Black Market Cannabis Company, LLC

Our **CRA Education Sessions** continue and are available for replay by visiting the Video Library on the CRA website. Our recent education sessions have included the following presentations:

- Q&A with Brian Hanna, Director of the Cannabis Regulatory Agency
- Buying and Selling a Cannabis Business with Foley & Lardner, LLP

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- Cannabis Tax Administration with the Michigan Department of Treasury
- Reference Laboratories with the Michigan Cannabis Regulatory Agency

Grants

- The FY 2025 **Marijuana Operation and Oversight Grant (MOOG)** is wrapping up with final reimbursements for the grant cycle and the 52 grantees, due on September 15, 2025. In addition to the reimbursement requests, grantees will also be providing Final Reports, that will be published online.
- The organizations who received the grants through the **Veteran Marijuana Research Grant Program** are progressing steadily towards their goals. The CRA has published all of the information – including quarterly updates – on our website under the grant section.

Social Equity Grant Program (SEGP)

- Final Reports for the FY 2025 **SEGP** were due on September 1, 2025. The reports will be published online and detail how the 103 grantees spent the \$9,708.73 they received this fiscal year.

Joint Ventures Pathway Program (JVPP)

- The JVPP currently has 381 individuals that have provided their information to be found by others. There are currently 139 individuals that have requested access to the individuals' information that have provided it to be contacted.

REFERENCE LABORATORY DIVISION

- The construction of the CRA Reference Laboratory has been completed, and all our instruments have been installed.
- We have begun the onboarding process with a laboratory manager and are preparing to hire a quality assurance specialist and two analytical/technical staff to assist with operations.
- The laboratory has begun the process of instrument familiarization and consulting with our analytical equipment in preparation for method validations.
- We are in the process of integrating a laboratory information management system with the lab instrumentation and procedures.
- We are still targeting Mid-2026 to be open and operational.

CENTRALIZED SERVICES DIVISION

Customer Service and Internal Agency Support Sections

The **Customer Service Section (CSS)** answered 4,691 calls over the last quarter with 97% of these answered within 2 minutes.

The **Internal Agency Support Section (IAS)** is currently monitoring 159 open disciplinary compliance monitoring files.

Information Technology & Administrative Support Section

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The IT section completed fifteen maintenance tickets and two major project tickets (HPHL, and LARA Inspector badges). Currently the IT section has seven large projects going on while still continuing our day to day functions.